



Parking Program Fiscal Year 2013–2014

A Report to the Texas Legislature
and
the Legislative Budget Board
December 2014

Texas Facilities Commission

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★ Planning and administering facilities in service to the State of Texas ★

This report is submitted by the Texas Facilities Commission in accordance with Texas Government Code, Section 2165.2035(e) and Section 2165.2046 requiring reports to the legislature and Legislative Budget Board on the state parking programs administered by the agency. For additional information, please contact Peter Maass, Deputy Executive Director of Planning and Real Estate Management, at peter.maass@tfc.state.tx.us or (512) 463-9454.

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I. After-Hours Parking Program Revenue and Statistics

After-Hours Parking Administration

Texas Government Code, Section 2165.2035 requires that the Texas Facilities Commission (“TFC”) develops private, commercial uses for state-owned parking facilities located in the City of Austin at locations TFC determines are appropriate for commercial use outside of regular business hours. Additionally, Subsections (c) of Section 2165.2035 allow TFC to contract with a private vendor to manage the commercial use of state-owned parking facilities. Revenues generated under the program may be used to cover TFC’s costs associated with the lease of the parking facilities. Gov’t Code § 2165.2035(d-1). Any excess funds are deposited to the credit of the general revenue fund (“GR Fund”). *Id.* § 2165.2035(d).

During the biennium reporting period, fiscal year (“FY”) 2013–2014, TFC continued its agreement for after-hours parking management services with HBA Parking, Inc. (“HBA”). Due to an ongoing internal audit, agency reorganization, and quickly approaching tailgate season, TFC decided to extend the HBA service agreement from April 1, 2014 to January 5, 2015. Aside from the term extension, no other terms in the existing agreement between TFC and HBA were altered. TFC’s portion of the parking fees collected (minus sales tax) continues at 65% with HBA retaining the remaining 35% as compensation for parking management services. Unlike the State Preservation Board’s sales tax exemption for revenue generated by the Capitol Visitor’s Garage, TFC is required to collect, report, and pay sales tax on the gross revenue collected by its parking contractor. Accordingly, an 8.25% sales tax on the gross revenue is collected and paid to the Texas Comptroller of Public Accounts (“CPA”).

The closing of Waterloo Park two years ago relocated numerous special events to venues outside the Capitol Complex. The closure resulted in fewer special events utilizing the TFC parking facilities in the Capitol Complex area. Despite this closure, the TFC after-hour parking program has generated a net revenue increase for both years of the FY 2013–2014 biennium. Not including parking revenue received from the University of Texas at Austin (“UT”), after-hours parking revenue for the FY 2013–2014 biennium increased 15% from the previous biennium.

The revenue collected by the after-hours parking program for the biennium is broken down by each fiscal year of the reporting period and is listed below.

Fiscal Year 2013 After-Hours Revenue

FY 2013 After-Hours Revenue Break Down	
Total gross parking revenue (sales tax included)	\$ 1,155,132
Total sales tax paid (transferred to CPA)	\$ 88,036
Parking revenue transferred to GR Fund (65% net of sales tax)	\$ 693,613
Parking revenue retained by HBA (35%)	\$ 373,484

FY 2013 gross revenue generated by TFC's after-hours parking program when compared to FY 2012 gross revenue totals confirmed a net revenue increase of 23%.

FY 2013				
Month	Gross	GR Fund	Sales Tax	HBA
September	\$ 245,335	\$ 147,314	\$ 18,698	\$ 79,323
October	\$ 120,304	\$ 72,238	\$ 9,169	\$ 38,897
November	\$ 197,255	\$ 118,444	\$ 15,033	\$ 63,778
December	\$ 58,296	\$ 35,005	\$ 4,443	\$ 18,849
January	\$ 49,129	\$ 29,500	\$ 3,744	\$ 15,885
February	\$ 48,726	\$ 29,258	\$ 3,714	\$ 15,754
March	\$ 154,677	\$ 92,878	\$ 11,788	\$ 50,011
April	\$ 55,713	\$ 33,454	\$ 4,246	\$ 18,013
May	\$ 88,433	\$ 53,101	\$ 6,740	\$ 28,593
June	\$ 41,374	\$ 24,844	\$ 3,153	\$ 13,377
July	\$ 43,989	\$ 26,414	\$ 3,353	\$ 14,223
August	\$ 51,901	\$ 31,165	\$ 3,956	\$ 16,781
FY Total:	\$ 1,155,132	\$ 693,613	\$ 88,036	\$ 373,484

In FY 2013, HBA sold 126,228 parking spaces at various state-owned parking facilities in the Austin metropolitan area. The standard after-hours parking fee was \$7. Certain special events may dictate an increased or decreased parking fee dependent upon the event and/or its location. For this reason, in FY 2013 the following parking fees were assessed and collected: \$30, \$20, \$15, \$10, \$7, \$5, and \$3.

FY 2013 Spaces Sold			
	Spaces	Fee	Total
Reduced Fee	6,758	\$3	\$20,274
Reduced Fee	24,949	\$5	\$124,745
Regular Fee	64,234	\$7	\$449,638
Special Fee	1,897	\$10	\$18,970
Special Fee	15,417	\$15	\$231,255
Special Fee	7,894	\$20	\$157,880
Tailgate Pre-paid	5,079	\$30	\$152,370
FY Total	126,228		\$1,155,132.00

Subsection (h) of Section 2165.2035 allows nonprofit, charitable, and other community organizations to request the use of state-owned parking facilities for free or at a reduced rate. Local nonprofit and charitable organizations requested and received the use of 54,697 parking spaces free of charge in FY 2013. In addition to the free parking spaces approved, TFC allowed a reduced fee to nonprofit and charitable events that utilized 900 parking spaces at TFC parking facilities.

In FY 2013, the UT football garage lease generated \$296,424 from 24,702 parking spaces. The UT football lease was based on a parking fee of \$12 per space, from 5 parking facilities utilized during 6 home football games. Unlike previous years, UT did not lease TFC parking facilities for the 2012–2013 basketball season.

From the combined after-hours parking and UT lease revenue, TFC generated a gross revenue total of \$1,451,556 from a total of 150,930 parking spaces.

FY 2013		
	Gross Amount	Spaces Sold
HBA Contract	\$ 1,155,132	126,228
UT Garage Lease	\$ 296,424	24,702
FY Total	\$1,451,556	150,930

As noted previously, TFC's 65% portion of the after-hours parking fees (minus sales tax) transferred \$693,613 to the State's GR Fund. Additionally, \$296,424 from the UT garage lease was deposited into the GR Fund for a combined total of \$990,037 generated by the Commercial Parking and Special Events Program.

Fiscal Year 2014 After-Hours Revenue

FY 2014 After-Hours Revenue Break Down		
Total gross parking revenue (sales tax included)	\$	1,177,946
Total sales tax paid (transferred to CPA)	\$	89,774
Parking revenue transferred to GR Fund (65% net of sales tax)	\$	707,312
Parking revenue retained by HBA (35%)	\$	380,860

FY 2014 gross revenue increased \$22,814, resulting in a 2% increase from FY 2013 after-hours gross revenue totals.

FY 2014				
Month	Gross	GR Fund	Sales Tax	HBA
September	\$ 135,070	\$ 81,104	\$ 10,294	\$ 43,672
October	\$ 210,379	\$ 126,325	\$ 16,034	\$ 68,021
November	\$ 125,138	\$ 75,141	\$ 9,537	\$ 40,460
December	\$ 113,644	\$ 68,239	\$ 8,661	\$ 36,744
January	\$ 65,008	\$ 39,035	\$ 4,954	\$ 21,019
February	\$ 69,428	\$ 41,689	\$ 5,291	\$ 22,448
March	\$ 173,591	\$ 104,235	\$ 13,230	\$ 56,126
April	\$ 52,078	\$ 31,271	\$ 3,969	\$ 16,838
May	\$ 62,571	\$ 37,572	\$ 4,769	\$ 20,231
June	\$ 55,722	\$ 33,459	\$ 4,247	\$ 18,016
July	\$ 14,002	\$ 8,408	\$ 1,067	\$ 4,527
August	\$ 101,315	\$ 60,836	\$ 7,721	\$ 32,758
FY Total:	\$ 1,177,946	\$ 707,312	\$ 89,774	\$ 380,860

In FY 2014, HBA sold 133,373 parking spaces at various TFC parking facilities in the Austin metropolitan area. The after-hours standard parking rate remained at \$7. Nonprofit, charitable and other community organizations requested and received the use of 53,933 parking spaces free of charge in FY 2014. Additionally, TFC granted 1,916 reduced parking fees at TFC managed state-owned parking facilities.

At times, the market requires parking fees to increase or decrease depending on certain special events. For FY 2014, the after-hours parking fees varied from \$3 per space for nonprofit organizations; \$20 per space for events such as South by Southwest and Formula 1, and \$25 per space for pre-purchased parking spaces at State Parking Garage E and State Parking Garage J.

FY 2014 Spaces Sold			
	Spaces	Rate	Total
Reduced Fee	7,290	\$3	\$21,870
Reduced Fee	24,096	\$5	\$120,480
Regular Fee	75,431	\$7	\$528,017
Special Fee	1,535	\$10	\$15,350
Special Fee	11,497	\$15	\$172,455
Special Fee	8,594	\$20	\$171,880
Tailgate Pre-paid	4,918	\$30	\$147,540
Tailgate Grass	1	\$15	\$15
Tailgate Grass	1	\$39	\$39
Pre-purchase Fee	12	\$25	\$300
FY Total	133,375		\$1,177,946

During FY 2014, UT leased 2 TFC parking facilities for the 2013–2014 men’s basketball season in addition to the UT football season, which generated \$417,870 from 42,390 parking spaces. The parking fee for the UT football garage lease remained at \$12 per space for 5 parking facilities utilized during 6 home football games. For the UT men’s basketball season, the garage lease was based on a parking fee of \$7 per space for 2 parking facilities utilized for 18 home basketball games.

The combined after-hours parking and UT lease revenue generated a gross total of \$1,595,816 from a total of 175,763 parking spaces.

FY 2014		
	Gross Amount	Spaces Sold
After Hours	\$ 1,177,946	133,373
UT Garage Lease	\$ 417,870	42,390
FY Total	\$ 1,595,816	175,763

In FY 2014, TFC’s 65% portion of the after-hours parking revenue (minus sales taxes) transferred \$707,312 to the GR Fund. The UT garage lease for the football and basketball season generated an additional \$417,870 for a combined total of \$1,125,048 of revenue deposited into the GR Fund for FY 2014.

FY 2013–2014 After-Hours Parking by State Employees

Texas Government Code Section 2165.2035(g) allows state employees to utilize one parking space at no charge during events occurring after normal state business hours when presenting a valid State of Texas employee photo identification (“ID”) card. In compliance with the statute, TFC’s parking contractor provides free parking for individuals who present an official photo ID card during paid parking events.

TFC compiled information summarizing the total number of spaces utilized by individuals that presented an official photo ID card and received parking at no charge. In FY 2013, a total of 20,187 parking spaces were utilized by individuals presenting a state issued photo ID card. The loss of revenue for these spaces, utilizing the standard fee of \$7 per space, was \$141,309. For FY 2014, a total of 19,423 parking spaces were utilized at no charge by individuals presenting a state issued photo ID badge.

Revenue Loss			
	Spaces Utilized	Standard Fee	Total
FY 2013	20,187	\$7	\$ 141,309
FY 2014	19,423	\$7	\$ 135,961
FY Total	39,610		\$ 277,270

As illustrated by the chart above, a significant amount of revenue is lost.

II. Daytime Parking Program

Texas Government Code, Section 2165.204 authorizes TFC to lease excess spaces at TFC parking facilities during normal business hours. The section allows an institution of higher education or local government to lease an entire or a significant part of a TFC-managed, state-owned parking facility. Like the after-hours parking program, revenue generated by daytime parking leases is deposited into the GR Fund.

Below is a summary of the revenue generated by the daytime program during the FY 2013–2014 biennium.

Fiscal Year 2013 Daytime Revenue

Under the daytime parking program, TFC leased 2,291 parking spaces in FY 2013. With the exception of the Formula 1 daytime sales, TFC handled the administration of the daytime parking program in-house thereby avoiding the use of a parking contractor.

In FY 2013, the following daytime parking rates were assessed and collected: \$182, \$150, \$20, and \$7. For FY 2013, \$93,966 was transferred to the GR Fund from the daytime program.

FY 2013 Daytime Revenue Break Down	
Total gross parking revenue (sales tax included)	\$ 81,403
Total gross special event revenue (Formula 1)	\$ 33,160
Total sales tax paid (transferred to CPA)	\$ 8,525
Parking revenue transferred to GR Fund (65% net of sales tax)	\$ 93,966
Parking revenue retained by HBA (35%)	\$ 10,721

Fiscal Year 2014 Daytime Revenue

In FY 2014, TFC leased 6,289 daytime parking spaces. Due to UT football and Formula 1 scheduling events on the same weekend, Formula 1 did not utilize TFC parking. However, TFC recouped the revenue lost from Formula 1 by instructing HBA to provide public parking during normal business hours to patrons attending the University Interscholastic League Girls and Boys State Basketball Championships and graduation ceremonies at the Frank Erwin Center. Additionally, TFC's parking contractor sold public parking during normal business hours to attendees of the Texas Relay at Mike Myers Stadium.

FY 2014 Daytime Revenue Break Down	
Total gross parking revenue (no sales tax collected)	\$5,400
Total gross special event revenue (sales tax included)	\$43,771
Total sales tax paid (transferred to CPA)	\$3,336
Parking revenue transferred to GR Fund (65% net of sales tax)	\$32,633
Parking revenue retained by HBA (35%)	\$13,202

III. Program Initiatives and Recommendations

Access Controls and Parking Management System

The absence of access controls at the 165 points of ingress and egress in the 30 parking facilities included in the program inhibits TFC’s ability to secure the parking facilities and to collect parking fees from unauthorized users. The installation of electronic gates and an associated parking management system (“PMS”) would enable TFC the opportunity to operate a paid parking program 24/7, not just during special events. A PMS would also assist in facilitating the collection of detailed parking utilization data for each parking facility, including ticket sales, over- and under-utilization resulting in more detailed and accurate reporting. A PMS would offer public patrons of the TFC parking facilities more convenient payment options and would provide no-cost parking for state employees who work outside regular business hours. In addition, a robust PMS may also allow TFC to reduce its need for parking service contractors, thereby increasing the revenue deposited into the GR Fund. TFC does not currently have funding to implement a PMS and did not include a request for the funding in the current Legislative Appropriations Request. TFC may consider seeking such funding during a subsequent legislative cycle.

Sales Tax

As mentioned above, unlike the State Preservation Board’s sales tax exemption for revenue generated by the Capitol Visitor’s Garage granted by the CPA pursuant to Texas Administrative Code, Title 34, Part 1, Chapter 3, Subchapter O, Section 3.315(g), TFC is required to collect, report, and pay sales tax on the gross revenue collected from nongovernmental entities. A sales tax exemption would streamline the revenue reporting process and increase the revenue deposited directly into the GR Fund. TFC will research this issue further and possibly approach the CPA concerning the possibility of a sales tax exemption.



Commercial Parking and Special Events

1711 San Jacinto Blvd.

<http://www.tfc.state.tx.us/divisions/facilities/prog/pm/parking.html>